

1965 annual report



HALTON & PEEL TRUST & SAVINGS COMPANY

Head Office OAKVILLE, ONTARIO

Offices

Brampton

Burlington

Simcoe

Cooksville

Milton

Delhi

MAY 24 1967



HIGHLIGHTS

"Record Growth"

	1965	1964	1963	1962
Capital Paid-in - - - - -	\$ 1,628,345	\$ 1,621,045	\$ 1,535,820	\$ 1,377,700
Reserve - - - - -	950,000	800,000	600,000	300,000
Profits before Income Taxes - - - -	416,823	335,296	264,390	201,975
Income Taxes - - - - -	123,000	112,000	72,500	53,500
Dividends to Shareholders - - - - -	138,336	113,471	91,839	75,611
29% Savings and Term Deposits - - - - -	<u>48,283,405</u>	<u>37,402,161</u>	27,164,953	20,467,964
31% First Mortgages - - - - -	<u>41,561,704</u>	<u>31,600,273</u>	22,225,428	15,659,204
Bonds and Stocks - - - - -	<u>7,077,248</u>	<u>6,797,104</u>	6,018,971	5,416,546
Estates, Trusts, Agencies - - - - -	<u>5,625,891</u>	<u>3,036,014</u>	1,436,233	1,161,054
31% Total Assets under administration - -	<u>56,613,802</u>	<u>43,058,670</u>	30,874,605	23,409,792

HALTON & PEEL TRUST & SAVINGS COMPANY

BOARD OF DIRECTORS

O. E. Manning	<i>President and Chief Executive Officer</i>
Dr. C. A. Martin	<i>Vice-President</i>
W. J. Beatty	<i>Vice-President</i>
D. S. McLauchlin	<i>Secretary</i>
J. R. Barber	J. M. Fraser
E. Barringham	E. D. Goulding
J. A. Carroll	Angus MacMillan, Q.C.
A. G. Clarkson, P.Eng.	E. M. Milne
P. A. Fisher	J. Pengilley
G. H. Fort, Q.C.	E. Slacer

OFFICERS

J. S. Beatty, C.A.,	<i>General Manager</i>
D. S. McLauchlin	<i>Manager, Estates Dept.</i>
C. D. Cantlon, C.A.	<i>Trust Officer</i>
C. C. Tight, R.I.A.	<i>Mortgage Officer</i>
J. F. O'Drowsky	<i>Pension Officer</i>
G. R. S. Foster	<i>Appraisals Officer</i>

ADVISORY BOARDS

NORTH PEEL

J. A. Carroll		
F. M. Early	W. H. McCaugherty	J. R. Racine

SOUTH PEEL

G. B. Jackson, Q.C.	A. G. McDermott	J. G. Hickey
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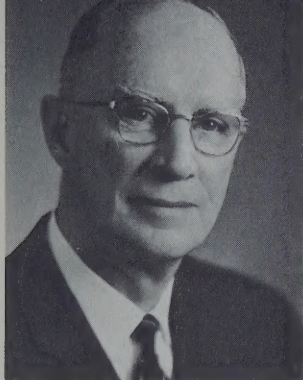
NORFOLK

G. H. Fort, Q.C.		
R. E. Mann	L. S. Culver	D. H. Gilbertson
H. Heath	B. M. Wallace	W. G. Smith

HEAD OFFICE: OAKVILLE, ONT.

OFFICES

BRAMPTON, ONT.	BURLINGTON, ONT.	SIMCOE, ONT.
G. Watson Kennedy Manager	R. B. James Manager	A. D. Mahon Manager
COOKSVILLE, ONT.	MILTON, ONT.	DELHI, ONT.
N. E. Little Manager	L. Skuce Manager	G. Takacs Manager



Report from the President

O. E. MANNING

To The Shareholders:

1965 has been a good year for Halton & Peel Trust & Savings Company. Savings Deposits and Guaranteed Investment Certificates at \$48,283,405 are up 29% over the previous year. First Mortgages at \$41,561,704 are up 31%, Total Assets Under Administration at \$56,613,802 are up 31%, Net Profits after Taxes, \$293,823 are up 31%. You will notice that the Statement is presented this year in greater detail than heretofore and this gives the opportunity to demonstrate certain important points of strength in the affairs of Halton & Peel Trust & Savings Company, especially at the end of a year which has been characterized by some uncertainty in some quarters of the financial community. Some of these points of strength are:

1. Ample reserves have been provided in both the General Reserve and those Reserves which are specifically related to Mortgages and Securities.
2. Liquidity is 100% higher than that required by the Ontario Loan and Trust Corporations Act under which the company operates.
3. The confidence in which the company is held by its depositors and other investors, is demonstrated in the substantial increase in Savings and Guaranteed Investment Certificate business noted above.
4. Growing volume of Estates, Trusts and Agencies demonstrates that the company is reaching the point where this basic Trust business can be expected to grow markedly in the years to come. It is to be particularly noted that the Halton & Peel Trust Investment Fund has had a successful first year and that the company is taking an increasing part in the Pension business as Trustee and Administrator.

It will be the aim of the company in the years to come to maintain a high standard of service to its clients and to assure the financial strength year by year which a Trust Company must have.

While the above shows examples of financial strength there is another type of strength which is basic to the operation of the whole company. This is the fact that whatever Legislation governs the company's operation—whether it be the Ontario Loan and Trust Corporations Act or that of the Federal Government—Halton & Peel Trust & Savings Company has in the past and will in the future operate well within the terms of the Legislation governing it.

Turning to the subject of personnel, the Trust Company is in the rather special position that Directors take office subject to certain duties and requirements which are stated in the Ontario Loan and Trust Corporations Act. It is important that Directors take their full responsibilities in the company operations and give their full measure of advice on company policy in accordance with the Act under which we operate. You may be assured that the Directors of Halton & Peel Trust & Savings Company are fully aware of their responsibilities and they are familiar with the conduct of the company's affairs. The 7 offices are staffed by an experienced group of men and women who take great care to conduct the company's business in a way which encourages the customers to use the company's many services fully. We have many evidences of business being brought to the company because of good staff relationships.

Considering that the Bank Act is in the process of review you will be interested to note that if Trust Companies are granted powers which enable them to participate more fully in personal loan business, we will be well prepared since many of the staff have banking experience. While we are not anxious to have wider powers, we can look with confidence to any such move in this direction.

With regard to the Board of Directors, I regret to record the passing of Mr. Harold R. Lawrence, Q.C., who was one of the original Members of the Board. We also have received the resignation of Mr. Ray R. Manbert who has taken up residence in Bermuda. These two Directors who have contributed much to the success of the company have been succeeded on the Board by Mr. Everett Slacer of Oakville and Mr. J. A. Carroll of Brampton, Chairman of the North Peel Advisory Board.

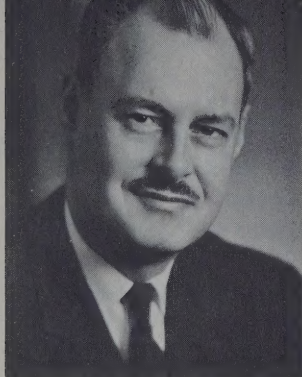
Also, I wish to announce the appointment of Mr. J. S. Beatty, C.A. as General Manager of the company and of Mr. D. S. McLauchlin as Secretary of the company. The President continues as the Chief Executive Officer and these appointments permit the sharing of the responsibility of Management which is so necessary for the continuity of administration.

I would like to thank the men and women of our staff for their loyalty and good service which has so much contributed to the success of the company.

O.E. Manning .

Oakville, Ontario.
February 11, 1966.

President.



Report from the General Manager

J. S. BEATTY, C.A.

To The Shareholders:

An examination of the company's record for the year 1965 reveals that two features stand out:

1. Security
2. Growth

Security is demonstrated in a number of ways. For instance, at the end of 1965 the General Reserve had been built up to \$950,000 through transfer of \$150,000 from the year's profits. In addition the valuation of assets has been made on a conservative basis. As stated in the Balance Sheet, the market value of the Bonds, Debentures and Stocks is greater in the aggregate than the figures at which they are carried in the company's books. The First Mortgages (book value \$41,561,704) are of excellent quality and the collection experience of interest and principal is good. Further it will be noted that the company maintains a high state of liquidity as represented by the Bonds and Debentures valued at \$5,643,149 and Stocks valued at \$1,434,099 together with \$1,277,011 in Cash and Bank Balances. Contributing to the liquid resources are the receipts of principal and interest on mortgages which now average \$450,000 per month.

Finally it is emphasized that in following the terms of the Loan and Trust Corporations Act the company is careful to earmark and keep separate the Cash, Securities, Mortgages and other Assets in which Savings and Guaranteed Funds are invested. These assets are allocated for the security of the depositors and Guaranteed Investment Certificate holders.

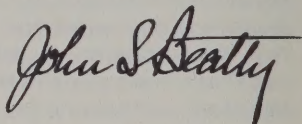
In summary of this comment on Security, both shareholders and depositors may reflect with confidence on the conservative valuation of assets, on the maintenance of high liquidity and excellent cash position and on the maintenance of ample reserves.

This sound foundation, building year by year, is also building confidence in the company by a widening circle of clients who know that their trust and savings needs will be carefully looked after day in and day out. As a result, the record of growth in 1965 is impressive as indicated by the figures given in the report of the President.

Of special interest is the fact that the volume of Estates, Trusts and Agencies under administration grew during the year at a faster rate than ever before. This aspect of the business may be expected to play an increasing part in the overall operations as the company's reputation for service and efficiency becomes known through an increasing clientele.

Finally, in keeping with the increase in assets and in the volume of business conducted, the profit on the year's operations was higher than in any previous year. Before taxes, it reached \$416,823.

In summary, the company's philosophy of "Security first," and then "Growth based on Security" is a sound philosophy. It is to be held uppermost in the minds of shareholders, clients, staff and all who may be associated with the company in the years to come.

A handwritten signature in dark ink, reading "John S. Beatty". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

General Manager.

Oakville, Ontario.
February 11, 1966.

HALTON & PEEL TRUST & SAVINGS COMPANY

STATEMENT OF REVENUE, EXPENDITURE AND UNDIVIDED PROFITS

THE YEAR ENDED DECEMBER 31, 1965

Revenue

From Mortgages - - - - -	\$ 2,648,275	
Bonds, Debentures and Stocks - - - - -	380,190	
Other Operating Revenue - - - - -	132,992	
Total Revenue - - - - -		\$ 3,161,457

Expenditure

Interest on Savings Deposits and Guaranteed Investment Certificates - - - - -	1,932,494	
Salaries, Pension Fund Payments and Staff Benefits - - - - -	323,252	
Depreciation - - - - -	40,161	
Other Operating Expenditure - - - - -	290,827	
Provision for Mortgage Reserve - - - - -	157,900	
Total Expenditure - - - - -		2,744,634

Profit before Income Taxes - - - - -	416,823
Provision for Estimated Income Taxes - - - - -	123,000

Net Profit for the Year - - - - -	293,823
Dividends to Shareholders - - - - -	138,336

155,487

Undivided Profits at beginning of Year - - - - -	70,784
Premium on Shares - - - - -	5,538

76,322

231,809

Transferred to General Reserve - - - - -	150,000
Transferred to Investment Reserve - - - - -	50,000

200,000

Undivided Profits at end of Year - - - - -	\$ 31,809
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STATEMENT OF GENERAL RESERVE THE YEAR ENDED DECEMBER 31, 1965

General Reserve at beginning of Year - - - - -	\$ 800,000
Transferred from Undivided Profits - - - - -	150,000
General Reserve at end of Year - - - - -	\$ 950,000

HALTON & PEEL TRUST

BALANCE SHEET

Assets

	1965	1964
Cash - - - - -	\$ 1,277,011	\$ 850,640
Bonds and Debentures:		
Canada - - - - -	2,570,776	2,695,057
Ontario and its Guarantees - - - - -	2,055,054	1,859,277
Municipalities - - - - -	814,588	844,367
Other Bonds and Debentures - - - - -	202,731	235,616
Stocks - - - - -	1,434,099	1,162,787
Loans — secured - - - - -	316,944	244,945
First Mortgages - - - - -	41,561,704	31,600,273
Office Premises at cost less depreciation - - - - -	737,895	511,985
Other Assets - - - - -	17,109	17,709
Total Capital and Guaranteed Assets - - - - -	50,987,911	40,022,656

Estates, Trusts and Agencies:

Securities, Cash and Other Assets held in trust -	5,625,891	3,036,014
	<u>\$56,613,802</u>	<u>\$43,058,670</u>

Notes:

1. The liabilities of the Guaranteed Account are fully secured by authorized investments specifically ear-marked and set aside in respect thereof.
2. The market values of bonds, debentures and stocks, none of which are in default, are greater in the aggregate than the stated values as at December 31, 1965.
3. Under employees' stock option agreements, 1,460 shares have been issued during the year, and 7,845 shares remain under option.

& SAVINGS COMPANY

DECEMBER 31, 1965

Liabilities and Capital

Liabilities	1965	1964
Guaranteed Account:		
Savings Deposits - - - - -	\$16,989,259	\$14,115,345
Guaranteed Investment Certificates - - - - -	31,294,146	23,286,816
	<u>48,283,405</u>	<u>37,402,161</u>
Dividend Payable January 14, 1966 - - - - -	40,710	64,842
Estimated Income Taxes Payable - - - - -	53,642	63,824
	<u>48,377,757</u>	<u>37,530,827</u>
Capital		
Capital Stock:		
Authorized:		
400,000 Shares of \$5.00 par value		
each - - - - - \$ 2,000,000		
Issued and fully paid:		
325,669 Shares (1964-324,209 Shares subscribed)	1,628,345	1,621,045
General Reserve - - - - -	950,000	800,000
Undivided Profits - - - - -	31,809	70,784
	<u>50,987,911</u>	<u>40,022,656</u>
Total Capital and Guaranteed Liabilities - - - -		
	<u>50,987,911</u>	<u>40,022,656</u>
Estates, Trusts and Agencies Under Administration	5,625,891	3,036,014
	<u>\$56,613,802</u>	<u>\$43,058,670</u>

Approved on behalf of the Board of Directors:

O. E. Manning
President and Chief Executive Officer

C. A. Martin
Vice-President

W. J. Beatty
Vice-President

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the accompanying Balance Sheet of Halton & Peel Trust & Savings Company for the year ended December 31, 1965. Our examination comprised a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances, and included verification of the cash, bank balances and securities of the Company.

In our opinion, the accompanying Balance Sheet presents fairly the financial position of the Company as at December 31, 1965.

C. K. MacGillivray, F.C.A. } of Chagnon,
Patrick T. Hunt, C.A. } MacGillivray & Co.,
Chartered Accountants

HAMILTON, Ontario
January 19, 1966.

Savings Deposits (4%)

SAVINGS

Guaranteed Investment Certificates
are a legal investment for Trust Funds
and may be cashed at par on
the death of the investor

TERM DEPOSITS

Mutual Funds
Retirement Savings Plans

INVESTMENTS

Safety Deposit Boxes at Oakville,
Brampton, Cooksville and Simcoe

**ESTATES, TRUSTS,
AGENCIES**

Estate Planning
Executor and Trustee alone or jointly
Administrator where there is no Will
Trustee of Marriage or other Settlements
Committee of Property of Incapacitated Persons
Standing-by Attorney in case of Illness

**INVESTMENT
MANAGEMENT**

Investment Management for individuals
and organizations wishing to be relieved
of the details and responsibilities
involved in looking after their investments

CORPORATE TRUSTS

Trustee for Pension and Profit-Sharing Funds
Trustee for Personal Pension Funds
Trustee for Bond Issues
Trustee for Cemetery Funds
Trustee for Municipal Funds

**MORTGAGES and
REAL ESTATE**

First Mortgage Loans
Real Estate and Property Management

Inquiries Invited



Mr. Micawber's Advice
to
David Copperfield

*Annual income £20,
annual expenditure £19-19-6,
result — happiness.*

*Annual income £20,
annual expenditure £20-0-6,
result — misery.*

CHARLES DICKENS



